GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:702
ANSWERED ON:28.11.2005
FOOD SUBSIDY
Mehta Shri Alok Kumar;Nahata Smt. P. Jaya Prada;Singh Shri Ganesh Prasad

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of funds allocated for food subsidy during the current year and the amount out of this proposed to be spent on the purchase of foodgrains for Below Poverty Line families;

(b) whether losses due to leakage and diversion of foodgrains under the Targeted Public Distribution System has now gone upto 60 percent;

(c) if so, the details thereof;

(d) whether the Government proposes to scrap the current system of distribution of foodgrains due to huge diversion of foodgrains;

(e) if so, whether any alternative system has been worked out for the distribution of foodgrains to poor; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): An amount of Rs. 26,031 crore has been allocated as food subsidy for 2005-06.

In the budget estimates, an amount of Rs. 16,684 crore is taken as subsidy estimated to be incurred on issue of foodgrains to families below poverty line (BPL), including Antyodaya families during 2005-06.

(b) & (c): No report of such large scale diversion has been received from any of the State Governments/UTs. However, an evaluation study of Targeted Public Distribution System (TPDS) conducted by the Planning Commission covering eighteen major States has observed that out of the subsidized foodgrains issued under the TPDS there is leakage of about 19.71 percent at Fair Price Shops (FPS) level and about 16.67 per cent of the foodgrains is diverted through ghost cards. In addition, the TPDS suffers from diversion of subsidized grains to unintended beneficiaries (APL households) because of errors of inclusion. However, the report is based on old primary data of 2001-2002. As several changes like introduction of Antyodaya Anna Yojana (AAY), change in the scale of issue, etc. have taken place since then, it is difficult to totally rely on this report.

(d): No, Sir.

(e): Does not arise.

(f): The Government of India has taken several measures to streamline the TPDS to check diversion and malpractices so that the benefits reach the targeted population.